

Consumer Narrative

Tufts Insurance Company

Rhode Island Small Group Rate Filing

Section 1: Scope and Range of the Rate Increase

The average requested first quarter 2021 rate increase for the Advantage PPO suite of products is 1.4%. The actual rate change realized by a group may vary depending on age composition, geographic location, benefit plan design, size, and SIC. This filing impacts 1,574 members currently enrolled in one of the Advantage PPO products with a renewal date in the first quarter 2021.

Section 2: Financial Experience of the product

As demonstrated in the 2019 Supplemental Health Care Exhibit, Tufts Insurance Company met the legal requirements with a preliminary loss ratio below 80.0%, meaning more than 80.0% of collected premiums went towards medical expenses.

The loss ratio in this filing is anticipated to be above the 80.0% minimum.

Section 3: Changes in Medical Service Costs

The rate increase is primarily driven by the continual increase in medical service costs. The key medical cost factors included in the rate filing are as follows:

- Higher provider reimbursement levels from increases in fee schedules
- Higher pharmaceutical costs from increases in the cost of brand name drugs

Section 4: Changes in Benefits

A consideration in the rate filing process is the changes in benefit plan design by product.. Benefits have been reduced across most plans in order to lower rate increases.

Section 5: Changes in administrative expenses, taxes, and fees

Administrative expenses, excluding ACA related administrative expenses, taxes, and fees, as a percent of premium, have remained flat.

Tufts Health Plan (Tufts Associated Health Maintenance Organization, Inc. and Tufts Insurance Company) files a modest contribution to surplus. In this rate filing, Tufts Health Plan is requesting an average contribution to surplus, as a percent of premium, of 1.0%.